

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

|  |            |
|--|------------|
| IN THE MATTER OF THE APPLICATION OF )    |            |
| ENTEK GRB, LLC REQUESTING 1) A )         |            |
| VARIANCE FROM RULE 303.j.(1) TO OBTAIN ) | Cause No.  |
| A DRILLING PERMIT EXTENSION FOR THE )    |            |
| FOCUS RANCH UNIT FEDERAL WELL #3-1 )     | Docket No. |
| WELL, API NO. 05-107-06229-01 IN ROUTT ) |            |
| COUNTY, COLORADO AND 2) EQUITABLE )      |            |
| TOLLING OF THE JUNE 29, 2013 )           |            |
| EXPIRATION OF THE PERMIT FOR THE )       |            |
| FOCUS RANCH UNIT FEDERAL WELL #3-1 )     |            |
| WELL PENDING A FULL HEARING BY THE )     |            |
| COMMISSION                               |            |

APPLICATION

ENTEK GRB, LLC ("Applicant" or "Entek"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for 1) a variance from COGCC Rule 303.j.(1) to obtain an extension to the drilling permit for the Focus Ranch Unit Federal Well #3-1, API No. 05-107-06229-01 ("FRU#3-1 Well") to November 30, 2014, and 2) equitable tolling of the expiration of the drilling permit for the FRU#3-1 Well pending a full Commission hearing on the merits of the request for variance and extension of the permit.

**The Focus Ranch Federal Unit and GAP**

1. The FRU#3-1 Well is one of several wells planned for the Focus Ranch Federal Unit located in Routt County, Colorado, covering over 37,500 acres. Entek's predecessor drilled the FRU#3-1 Well and temporarily abandoned it. Entek, under the COGCC permit, plans to reenter this well and redrill it.

2. Entek has been diligently working with the BLM for more than two years to obtain approval of a new access road to the FRU#3-1 Well and the FRU#12-1 Well. As part of the development plan for the Focus Ranch Federal Unit, the Bureau of Land Management ("BLM") has required a Geographic Area Plan ("GAP") detailing, among other things, access routes and pipelines within the Focus Ranch Unit. Surface access to the FRU#3-1 Well depends upon approval of an access road that is included as part of this GAP. *See map attached as Exhibit A.*

3. As part of the Environmental Assessment process, public comment on the Focus Ranch Federal Unit GAP, which is required prior to approval, was anticipated for April 15, 2013, with approval of the GAP anticipated on or around June 1, 2013. On as many as six instances since April 2013, Entek has been assured by the BLM that the

GAP would be “submitted for public comment that week.” However, as of today’s date, the GAP has still not been submitted for public comment nor been approved. Entek anticipates that the GAP will be submitted for public comment as early as July 9, 2013, with final approval around August 30, 2013. But without an approved GAP and construction of the new road, Entek cannot access the FRU#3-1 Well.

4. Because Entek was given repeated assurances from the BLM that the GAP would go out for public comment in a timely fashion, Entek was unable to anticipate that its COGCC permit would expire before approval of the GAP. Further, because of other regulatory delays in Routt County, Entek has recently modified its operations plan in Routt County to include the reentry of the FRU#3-1 Well as part of an effort to continue diligent development operations in the Focus Ranch Federal Unit.

### **Wildlife Stipulations**

5. Due to wildlife stipulations set forth by the BLM and Colorado Parks and Wildlife, and winter weather restrictions, Entek operates within an already narrow timeframe. Specific to the FRU#3-1 Well, Entek must adhere to the following wildlife stipulations: no construction or drilling activities between December 1 and April 30 for elk winter range and no construction or drilling activities between March 1 and June 30 for sage grouse nesting.

6. These wildlife stipulations in Routt County limit Entek’s ability to operate to a short window from July 1 to November 30. In order for Entek to “thread” these timing constraints, Entek seeks an extension until November 30, 2014.

### **Other Factors**

7. Finally, additional factors also support Entek’s request for an extension of this permit in these circumstances.

8. First, approval of Entek’s GAP may be further delayed in the absence of a valid permit. Surface access to the Focus Ranch Federal Unit has been a contentious process with certain surface owners attempting to block access to the unit. The absence of a valid permit for the FRU#3-1 may give an excuse to these owners to further delay the approval of the GAP because they can claim that a valid permit is not in existence. Important exploratory development will not occur within the limited drilling and development windows this year. This will set Entek back a full year to 2014.

9. Second Entek seeks this variance, instead of a submission of a new permit, because of regulatory timing issues. It currently takes approximately 45 days for a COGCC permit to be approved, after which Entek will be required to obtain a new Routt County Special Use Permit for the FRU#3-1 Well--which even under the best of circumstances will take in excess of two months. This means that the earliest that Entek will have full regulatory approval is October 15, which only allows 6 weeks for



operations to commence and be completed prior to the wildlife stipulations taking effect on November 30.

10. Expiration of Entek's COGCC permit will potentially be catalyst for undeterminable delay given the additional approval needed from Routt County and the likelihood that Entek will be unable to safely complete its operations on the FRU#3-1 Well prior to November 30, 2013.

### **Entek's Request**

11. Entek seeks an extension to the permit, which expires on June 29, 2013, because complex regulatory factors beyond Entek's control jeopardize Entek's current and future drilling plans if Entek must re-file for a permit on the FRU#3-1 Well.

12. Expiration of the permit for the FRU#3-1 Well will impair Entek's ability to reenter the FRU#3-1 Well using an existing pad as planned, and may potentially delay all Entek operations within the Focus Ranch Federal Unit.

13. Entek therefore respectfully requests 1) a variance from Rule 303.j.(1) to obtain a drilling permit extension for the Focus Ranch Unit Federal Well #3-1 Well, API No. 05-107-06229-01 in Routt County, Colorado and 2) equitable tolling of the June 29, 2013 expiration of the permit for the Focus Ranch Unit Federal Well #3-1 Well pending a hearing on the merits at the July 29 & 30, 2013 Commission hearing.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: June 28, 2013

By: 

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VERIFICATION

STATE OF COLORADO )  
 )  
COUNTY OF Denver ) ss.

Kim Parsons, of lawful age, being first duly sworn upon oath, deposes and says that she is the U.S. Regional Manager for ENTEK GRB, LLC and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

Kim Parsons  
Kim Parsons

Subscribed and sworn to before me this 28th day of June, 2013.

Witness my hand and official seal.

My commission expires: April 16, 2016



Martha A. Lai  
Notary Public

## EXHIBIT A

